

## **ECONOMIC DEVELOPMENT COMMITTEE**

**DATE:** May 16, 2007

**CALLED TO ORDER:** 5:08 p.m

**ADJOURNED:** 7:36 p.m

### **ATTENDANCE**

#### **ATTENDING MEMBERS**

Jackie Nytes, Chair  
Patrice Abdullaah  
Virginia Cain  
Lonnell Conley  
Marilyn Pfisterer  
Isaac Randolph  
Joanne Sanders

#### **ABSENT MEMBERS**

### **AGENDA**

**PROPOSAL NO. 52, 2007** - appoints Bruce Melchert to the City Market Corporation Board  
"Strike" Vote: 6-0

**PROPOSAL NO. 184, 2007** - appoints Joseph Williams to the Lawrence Economic Development Commission  
"Postpone until 6-13-07" Vote: 6-0

**PROPOSAL NO. 185, 2007** - appoints Eric Essley to the Speedway Economic Development Commission  
"Do Pass" Vote: 6-0

**PROPOSAL NO. 176, 2007** – supports the restoration of competition within agricultural biotechnology markets.  
"Strike" Vote: 5-0

**PROPOSAL NO. 207, 2007** - approves the Metropolitan Development Commission's determination of the West Washington Street Economic Development Area and the issuance of special taxing district bonds, notes or other obligations and other related matters  
"Do Pass" Vote: 5-1

**PROPOSAL NO. 216, 2007** - seeks approval of a petition to establish the Town of Fayette, in Boone County, Indiana, which proposed town is within four miles of the corporate boundaries of the consolidated city, pursuant to IC 36-5-1-7(a)  
"Postpone until August 2007" Vote: 7-0

**PROPOSAL NO. 227, 2007** - a final refunding resolution for MMA Housing I, LLC ("Borrower") in an amount not to exceed \$19,118,000 to permit the borrower to restructure its existing debt obligations by redeeming outstanding bonds with refunding bonds for Lake Piedmont Apartments, a 648-unit multi-family affordable rental housing community located at 2800 East Hanna Avenue (District 20)  
"Do Pass" Vote: 7-0

**PROPOSAL NO. 228, 2007** - an inducement resolution for 1 Real Estate Management, Inc. in an amount not to exceed \$9,000,000, for the construction, installation and equipping of a 180-unit multi-family apartment community located at 2005 Bridgeport Road to be known as Bridgeport Commons Apartments (District 13)  
"Do Pass" Vote: 7-0

## **ECONOMIC DEVELOPMENT COMMITTEE**

The Economic Development Committee of the City-County Council met on Wednesday, May 16, 2007. Chair Jackie Nytes called the meeting to order at 5:08 p.m. with the following members present: Patrice Abdullah, Virginia Cain, Lonnell Conley, Joanne Sanders, and Isaac Randolph. Councillor Pfisterer arrived shortly thereafter. Also present was Aaron Haith, General Counsel.

**PROPOSAL NO. 52, 2007** - appoints Bruce Melchert to the City Market Corporation Board.

Chair Nytes stated that Mr. Melchert has informed her that he is on an extensive travel schedule and will not be able to serve. She said that he has been appointed to this board several times and has served with great enthusiasm over the years.

Councillor Sanders moved, seconded by Councillor Cain, to "Strike" Proposal No. 52, 2007. The motion carried by a vote of 6-0.

**PROPOSAL NO. 184, 2007** - appoints Joseph Williams to the Lawrence Economic Development Commission.

Chair Nytes stated that Mr. Williams has informed her that he has been called away from the city for military duty and has respectfully asked that the committee postpone his hearing until the June 13, 2007 meeting.

Councillor Conley moved, seconded by Councillor Sanders, to "Postpone" Proposal No. 184, 2007 until June 13, 2007. The motion carried by a vote of 6-0.

**PROPOSAL NO. 185, 2007** - appoints Eric Essley to the Speedway Economic Development Commission.

Mr. Essley stated that he and his family have lived in Speedway since 2002. He is interested in the economic development of Speedway in a smart, usable, and sustainable way. He said he has been relatively active in local matters and has taken a new job with an environmental law firm and believes that he is a unique asset that the committee could use. He was previously employed by Health and Hospital Corporation and understands the importance of public service.

Councillor Abdullah stated that Mr. Essley is his recommendation and he strongly supports this appointment.

Chair Nytes stated that although there is UniGov in Marion County, it takes many partners in local government and this commission is a very important part of this. She stated that the background check was submitted and asked if it has cleared. Mr. Haith

stated that it has been submitted and will be reported by the Committee on Committees on Monday, May 21, 2007.

Councillor Abdullah moved, seconded by Councillor Conley, to send Proposal No. 185, 2007 to the full Council with a "Do Pass" recommendation, pending completion of the background check. The motion carried by a vote of 6-0.

Chair Nytes stated that she failed to introduce the newest member of the Council at the beginning of the meeting. Councillor Bob Lutz has been elected to replace Councillor Earl Salisbury to represent District 13.

PROPOSAL NO. 176, 2007 – supports the restoration of competition within agricultural biotechnology markets.

Chair Nytes said that this proposal was introduced several weeks ago; however, it has since lost its sponsor. She asked if no one on the committee wants to adopt it, the committee will need to strike it.

Councillor Randolph moved, seconded by Councillor Cain, to "Strike" Proposal No. 176, 2007. The motion carried by a vote of 5-0.

[Clerk's Note: Councillor Sanders was out of the room during this vote]

Chair Nytes stated that she would like to request that the committee move Proposal No 207, 2007 to the end of the agenda. Consent was given.

PROPOSAL NO. 216, 2007 - seeks approval of a petition to establish the Town of Fayette, in Boone County, Indiana, which proposed town is within four miles of the corporate boundaries of the consolidated city, pursuant to IC 36-5-1-7(a).

Chair Nytes stated that the proposed Town of Fayette would be located within four miles of the corporate boundaries of Indianapolis. Pursuant to Indiana Statute, the Boone County Commissioners must come before this Council.

Mr. Haith stated that the Boone County Commissioners have acted by ordinance pursuant to statute I.C. 36-5-1-2 to approve the incorporation of the Town of Fayette. The statute then requires that they come before this Council because the town is within four miles of a consolidated city. This Council has a statutory obligation to consider it and to either approve or disapprove of the incorporation. He said that the statute does not specifically state what types of things the Council should consider when discussing this type of proposal, but he believes that this Council's concerns would be similar to the concerns of the Boone County Commissioners, including the town's ability to provide public services such as health and safety.

[Clerk's Note: Councillor Pfisterer arrived at 5:24 p.m.]

Chair Nytes stated that this is an unusual proposal for the Council, but is a good example of the types of laws that are on the books. She stated that the Committee has copies of the Ordinance from the Boone County Board of Commissioners (Exhibit A), a copy of the relevant section of the Indiana Code (Exhibit B), and a report by the Boone County Area Plan Commission (Exhibit C). She said that she is aware that everyone just received this and they have not had time to review any of the documents. She stated that she would like some of the people involved in this to give the committee some background on this proposal.

Eileen Sims, Boone County Attorney, introduced Huck Lewis, Boone County Commissioner, and stated that she provided the information to the Committee to help them in their decision. Ms. Sims passed a map around to the members of the committee. She stated that there is a dispute regarding the incorporation because Whitestown is attempting to annex a portion of the proposed Town of Fayette that is shown on the map. She said that Fayette filed to incorporate, filed a fiscal plan, and was approved by the Area Planning Council (APC) as required by statute. The APC, after speaking to several public entities, receiving a report from an independent accounting firm, and holding a public hearing, voted unanimously to recommend that the Commissioners approve the incorporation. The Commissioners voted unanimously to allow the incorporation. Ms. Sims stated that the reason for the dispute over the geographical area is a result of Boone County's Redevelopment Commission's (RDC) decision to turn it into an economic development area. These two things happened simultaneously. Ms. Sims stated that Whitestown has filed suit against the Boone County RDC alleging the legal argument that "first in line is first in right". It has been litigated in Montgomery County, and the Court decided in favor of Boone County. This lawsuit is currently under appeal. She said there are three pending lawsuits against Whitestown regarding the annexation process. There are two lawsuits against the Boone County Commissioners for allowing the incorporation of the Town of Fayette. The lawsuits are numerous and virtually unresolved, but they are in the proper place for resolution. She said that she is concerned that the committee will hear arguments from others that will try to make this committee the body that decides whether or not incorporation should be allowed, rather than the court system. She stated that she is concerned about the Constitutionality of the Indiana Code requiring this proposal. People have the right to band together to form a town, and this statute creates disparate treatment between Indianapolis and Fayette. She said that because the statute does not provide any parameters for this Council to use in its decision, she would request that if the committee votes against this proposal, that the members articulate their reasons for their rejection. She stated that the citizens of Fayette are interested in entering into interlocal agreements with Indianapolis. She asked the committee to respect the autonomy of Boone County. Mr. Lewis stated that the Boone County Commissioners have worked very hard on this, and although it was a difficult decision, he hopes that this Council would allow Boone County to control its own destiny.



Chair Nytes thanked both Ms. Sims and Mr. Lewis for abiding by the law. She said that she asked a few people to speak to the committee to offer information to the committee. She stated that the committee will entertain testimony from a representative from all of the affected parties.

Larry Brunner, representative from the proposed Town of Fayette, stated that he worked on the budget aspect of this proposal to incorporate. He said they worked in collaboration with the Department of Local Government and Finance (DLGF) and State Auditor. Those departments gave them copies of budgets from towns of similar size to use as a guide, and both departments found the budget to be acceptable. There were several public meetings, and the citizens felt comfortable with the budget, taxes, and level of services that would occur at incorporation. He said that the citizens are interested in economic development; several members of the planning committee have been to planning seminars; and they are working with Ball State University on planning issues.

Chair Nytes asked if there is anyone in the audience from the proposed Town of Fayette and five citizens were in attendance. She asked if there is a representative from Whitestown who wishes to speak.

Christopher Janak, Attorney for Whitestown, stated that there are seven lawsuits arising out of this situation. It began in July 2006 when Whitestown issued an annexation ordinance that includes the same territory that is now being included in the Fayette proposal. The annexation has been passed and recorded by the Secretary of State, the Census Bureau, and is now effective as a matter of law. He said that the Town of Fayette is asking this Committee to consent to a town that is over the top of Whitestown municipal boundaries. This cannot be done under Indiana law. This raises two issues for this committee. He said Mr. Haith is correct that there is not a lot of guidance in the statute. The first issue is that in order to exercise consent, the body must have jurisdiction to consent. In this case, it is clear that once a town initiates an annexation, and as long as it is pending, a town cannot be incorporated on top of it. He said the Indiana Supreme Court ruled on that in the 1870's, 1920's, and the 1970's. He said the county is asking the committee to exercise jurisdiction over an area that the county does not have jurisdiction over. The second issue is whether or not the committee wants to get itself involved in seven different lawsuits. He said that he believes that this committee should not get involved until the Courts have ruled on these lawsuits. He added that they are willing to share information regarding the cases with the committee.

Councillor Abdullah stated that he did agree the committee should not get involved in this decision because they do not have enough information and because there are pending lawsuits.

Councillor Sanders stated that there appears to be a number of questions for which there are no answers. She said that she was a part of the conversation before the ordinance was drafted. However, it was not the intent to circumvent any other

jurisdiction's authority. She said that she believed that they were simply taking the steps required by state law.

Councillor Cain asked if Attorney Sims would like to respond to the comments regarding jurisdiction made by Attorney Janak.

Ms. Sims stated that she appreciates the ability to respond. She said that there are three lawsuits pending alleging that the annexation procedures were not followed, including no public notice, boundaries amended, and other improper actions. She said that her position is that litigation acts as an injunction and stops annexation until the litigation is resolved. She added that a person cannot draft a letter, start filing annexation, and claim it is effective, when there is litigation pending. She said she believes that the committee is not divested of jurisdiction, but this is only a statutory requirement of approval. The Courts will decide whether or not Fayette can incorporate.

Councillor Cain stated that she believes that the committee should wait to vote until the Courts have decided these cases.

Councillor Pfisterer asked if there is a timeline for when the Courts will make its decisions. Ms. Sims stated that there is no way to know how long this will take. She said that one lawsuit that dealt with the dispute between the county's economic development area and Whitestown's annexation is currently in the Court of Appeals and it may be resolved in August, 2007. The remaining lawsuits could take a very long time, and she believes Mr. Janak would probably agree. Mr. Janak stated he did not necessarily agree with that, but it could be true. Ms. Sims said that she would keep the committee apprised of the pace of the litigation.

Councillor Conley asked Attorney Haith what the ramifications would be if this committee approved this proposal today. Mr. Haith stated that if the Court overturned the actions of the Boone County Commissioners, then the committee's action would be nullified. If the court approved the incorporation of the Town of Fayette, the town would not have to return a second time for approval.

Councillor Sanders moved, seconded by Councillor Pfisterer, to "Postpone" Proposal No. 216, 2007 to on or about the second Wednesday of August 2007. The motion carried by a vote of 7-0.

PROPOSAL NO. 227, 2007 - a final refunding resolution for MMA Housing I, LLC ("Borrower") in an amount not to exceed \$19,118,000 to permit the borrower to restructure its existing debt obligations by redeeming outstanding bonds with refunding bonds for Lake Piedmont Apartments, a 648-unit multi-family affordable rental housing community located at 2800 East Hanna Avenue (District 20).

Rod Morgan, Attorney for the Economic Development Commission (EDC), stated that the EDC met earlier today on this matter. This is a refunding of bonds that were issued

in 1998 to acquire and renovate a project that was built in 1976. The bonds have been in some measure of trouble for about nine years. The bondholder has negotiated to restructure the outstanding debt to a positive cash flow. The original bond was for \$19,450,000 with a 9% interest rate. The restructuring will create two series of bonds, one for \$14,720,000 with a 6% interest rate and a subordinate bond for \$4,398,000 to be paid out of cash flow. The reduced interest rate and restructure will allow this project a cash flow. It will get the holder out of trouble and keep 648 units of affordable housing open in Indianapolis. The developer understands that the bonds will not be an obligation to the city, there will be no tax revenue utilized to repay the bonds, and the units will remain on the tax roll for collection.

Councillor Pfisterer asked for clarification purposes if there was a tax abatement included. Mr. Morgan stated that there are no abatements.

Councillor Cain asked for a short, concise explanation of refunding bonds. Mr. Morgan stated that it is the same as when a person refinances their house by borrowing money against the equity in the house. The first money a person paid would be the bond. The new money a person received from the refinancing would be a refunding bond. It would pay for the original debt or bond, and then the refunding bond would be what is outstanding.

Chair Nytes stated that the lower interest rate and other conditions make this attractive. Mr. Morgan stated that in the first few years, there is additional money available to pay for the debt service and the repair and renovation of the project.

Councillor Sanders asked what time period is involved in paying for the two different bonds. Mr. Morgan stated that the original time period was 2034, and that would stay the same. The subordinate bond would be paid after debt service is paid on the first bond.

Chair Nytes said that this has had a full hearing before the EDC.

Councillor Sanders asked what the price range is for the units. Jim Crawford, Bond Counsel, stated that the rents fall within the Indiana Housing Community Development Authority guidelines. One-bedroom, one-bath units start at \$420.00 per month, and two-bedroom, two-bath units run as high as \$520.00 per month.

Councillor Conley moved, seconded by Councillor Abdullah, to send Proposal No. 227, 2007 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 7-0.

**PROPOSAL NO. 228, 2007** - an inducement resolution for 1 Real Estate Management, Inc. in an amount not to exceed \$9,000,000, for the construction, installation and equipping of a 180-unit multi-family apartment community located at 2005 Bridgeport Road to be known as Bridgeport Commons Apartments (District 13).

Rod Morgan stated that the EDC met earlier today on this matter and passed it unanimously. He said this is the same type of resolution that the committee has seen many times. This is an inducement resolution, which is the first phase of the project. There will be tax credits from the State, and this will come before the committee again before any buildings are built. He added that there is no obligation from the city, and no taxes will be used to pay the bonds. Thomas Peterson, Ice Miller, the bond counsel for this project said the complex will provide individualized counseling and services to their tenants. The developers plan to meet the city targets of 15% Minority owned businesses and 8% women-owned businesses for this project. He added that Councillor Earl Salisbury supported this project.

Chair Nytes stated that in the material Mr. Morgan provided, there is a letter from Councillor Salisbury supporting the project and a market analysis showing the need for additional housing options in this district (Exhibit D).

Councillor Pfisterer stated that area schools and fire departments have expressed concerns. Although the resources provided by the developer are laudable, there will be an impact on the schools and fire department. She said that additional housing is difficult to protect. Mr. Morgan stated that this is merely the first step in the process. The EDC will file a report with the Department of Metropolitan Development that will be shared with the school district and public safety. Councillor Pfisterer stated that the developer will want to move dirt as soon as possible, but the fire department needs time to plan for this addition. Mr. Morgan stated that there is a deadline for submitting their inducement, but a decision will not be made until late August. Final resolution will not occur until October or September of this year.

Chair Nytes stated that Mr. Morgan has made it clear that steps will be taken to make sure the developer will make the necessary changes.

Councillor Lutz stated that he has not seen any letters from Councillor Salisbury regarding the project. He said that he is neither opposed nor in favor of the project, but he needs more information.

Councillor Sanders stated that Councillor Salisbury's letter states that he strongly supports the project and does not state that he has any reservations.

Councillor Conley stated that if the developer has to come back for final approval, then he believes that this committee should approve this proposal.

Chair Nytes said that it has been made clear to the developer that they need to discuss these issues with the district. She also wanted to remind everyone that this is only a 180-unit complex and is much smaller than usual.

Councillor Conley moved, seconded by Councillor Pfisterer, to send Proposal No. 228, 2007 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 7-0.

PROPOSAL NO. 207, 2007 - approves the Metropolitan Development Commission's determination of the West Washington Street Economic Development Area and the issuance of special taxing district bonds, notes or other obligations and other related matters.

Councillor Abdullah stated that he would like to postpone this proposal because it refers to a tax district, and he has concerns about the employment practices of the owners. He said he would like to discuss these concerns with the owners of this hotel before the committee votes on the proposal.

Councillor Abdullah moved, seconded by Councillor Sanders, to postpone Proposal No. 207, 2007 until June 13, 2007.

Councillor Pfisterer stated that, similar to the last proposal that was heard, there would be a long period of time between this vote and the beginning of the project. She said that she believes that passing this proposal will help the city meet its time commitments for other projects that depend on the building of this hotel.

Councillor Randolph asked Barbara Lawrence, Executive Director of the Indianapolis Local Public Improvement Bond Bank, what the cost is to the city for this project. Ms. Lawrence stated that it is difficult to put a monetary value on it. However, the bond bank has been working on this for three years and is ready to move forward on it. She added that everyone involved has expressed interest in talking to the Muslim Alliance and working through these issues. She said she would urge the committee to pass the proposal to keep the project moving forward. Councillor Randolph stated that he understands what it is like to have a proposal locked up in committee and believes this proposal should go to the full Council for discussion.

Councillor Conley stated that there has been a lot of time for discussion, and there will be more time in the future. He said that the city needs to move forward on this project and believes that there will be ample time for Councillor Abdullah to meet with everyone involved.

Councillor Cain stated that she agrees with all the previous statements and wants to remind everyone that the construction of this project will still fall under the city's ordinances against discrimination.

Chair Nytes stated that she is appreciative of the concerns that Councillor Abdullah has raised over the last several months. The issues of diversity and tolerance have been fought for by many of the people on the Council and in the county. She said that

she is grateful for the increased awareness that this has brought forward and believes that future discussions will be more informed.

Councillor Sanders stated that this process has been a struggle for her, and will continue to be a struggle, for reasons that go beyond those stated by Councillor Abdullah.

Councillor Abdullah stated that he understands the concerns of the other Councillors to move this project along and he shares their sentiment for prosperity for the city, but sensitivity for others must remain a priority.

Councillor Abdullah's motion to postpone failed by a vote of 2-5, with Councillors Nytes, Cain, Conley, Pfisterer, and Randolph casting the negative votes.

Chair Nytes introduced Barbara Lawrence, Executive Director of the Indianapolis Local Public Improvement Bond Bank.

Ms. Lawrence distributed a packet detailing her presentation (Exhibit E). She stated that this project was thought of several years ago. The city commissioned a report by PriceWaterhouseCoopers to serve as a blueprint detailing what the city should do to remain viable for future generations. She stated that this project will create jobs, improve the hospitality and convention industry, and is an important third leg of the PriceWaterhouseCooper report. The report stated that the city needed three things: a sports complex, an expanded convention center, and a new convention headquarters hotel. She said many people will testify about this project and what it means to the city.

Jerry Semler, Chairman Emeritus of American United Mutual Insurance Holding Company, stated that he has been involved in the redevelopment of downtown hotels. He said that he remembered that there was not much available downtown in 1980. Since then, due to the public-private partnerships, a first class city has been created. He said he has been involved with the Indianapolis Convention Visitors Association (ICVA) for over 25 years and is currently the Board Chairman. He said that some conventions, such as the insurance convention, have to utilize four or five hotels, and there is truly a need for one hotel that can serve as a headquarters. He said that he served on the hotel selection committee and is looking forward to seeing the completion of this project.

Ms. Lawrence stated that she wants to discuss the current need and future demand for the convention center and what this hotel represents.

Tanasha Anders, Vice President of Indiana Black Expo, stated that she wishes to speak about the benefits of this hotel as it relates to Black Expo. She said that Summer Celebration and the Circle City Classic continue to grow. She said that Summer Celebration will have its 37<sup>th</sup> anniversary this year. An impact study from Indiana

University-Purdue University at Indianapolis (IUPUI) states that the Black Expo generates \$72 million for the county. Indiana Black Expo has been leveraging relationships with several organizations to bring more events to the city. In 2008, the city will host the National Black Nurses convention during Black Expo. They are also bringing the Department of tourism of the Bahamas, a delegation from Senegal, and a delegation from South Africa to discuss trade opportunities. She said that the problem with these plans is a lack of space. The Black Expo currently utilizes all the space in the convention center and will need more meeting space and hotel rooms for these visitors.

Fred Glass, President of Indianapolis 2011, Inc., thanked the Councillors for their support of the proposals that were passed in support of the SuperBowl event. He said he is also the President of the Capital Improvement Board of managers (CIB) and is employed at the law firm of Baker and Daniels, but he has not participated in this project through any of those entities. In addition to the other reasons, this hotel is a critical component of the SuperBowl bid. The National Football League (NFL) requires a 1,000-room flagship hotel, and there are no alternatives in the city. The hotel also includes 105,000 square feet of function space, and the NFL requires at least 100,000 square feet of convention space. The passage of this proposal will allow Indianapolis 2011, Inc. to update their bid proposal.

Jim Isch, Senior Vice President of the National Collegiate Athletic Association (NCAA), thanked the committee for the opportunity to speak. He said the NCAA has been in the city for eight years and has established a wonderful partnership with the city and the state. He said that the NCAA and the Indiana Sports Corporation signed an agreement that the NCAA would remain in Indianapolis until 2070. The agreement also stated that the NCAA would host at least one major sporting event in Indianapolis per year if adequate facilities existed to host such an event. Once Lucas Oil Stadium is completed in 2010, the NCAA will host the Final Four basketball championship games. He said that although the new stadium will hold 70,000 basketball fans, there are not enough hotel rooms to hold them. He said that the NCAA fully supports this project and is beginning to require all cities to have a 100,000-bed hotel to host an event. He said the NCAA would like to host championships other than the Final Four, but Indianapolis does not have enough room to house the attendees of NCAA events during the spring and summer when the Indianapolis Motor Speedway is hosting events for their attendees.

Bob Bedell, President and Chief Executive Officer of the Indianapolis Convention and Visitors Association (ICVA), stated that he is excited about these projects and the future of Indianapolis. He said that some of his comments have already been stated, but this hotel is critical to the success of Indianapolis's Phase 5 of the expansion. The hotel cannot be successful without the convention center expansion, and the convention center cannot be successful without another major hotel that can serve as headquarters. They have been successful selling the current package, but Indianapolis hotels are running at very high capacity. In order to be successful, these projects need to happen simultaneously. Convention centers drive demand for destination, and

convention hotels also drive demand. He said they have no concern that there is a lack of demand for these hotel rooms, and this demand will raise all ships including, other hotels, restaurants, retail outlets, and attractions. He said that ICVA represents the 63,000 people that work in the hospitality industry. A successful convention industry keeps these people working full time to support their families. When two of the largest conventions (PRI and Cetia) left, they stated it was merely because of lack of space; but they would return if Indianapolis completes the expansion. He asked for the support of the committee.

Councillor Conley stated that he was there when those conventions left and remembers them saying that they loved Indianapolis and would return. He added that he plans to accommodate them so that they can return.

Councillor Pfisterer said that trying to explain that expanding the convention center and building a hotel will allow Indianapolis to capture a market that was previously unavailable is difficult.

Mr. Bedell stated that expanding the convention center facilities would allow for larger conventions that Indianapolis has never had. The largest hotel in Indianapolis has 600 rooms. The hotels in the city, with large numbers of rooms and space, compete with hotels in other cities for business. Currently, they can only compete for conventions that need about 450 rooms. The ICVA database currently lists over 1,500 conventions that rotate through different cities and need over 450 rooms. The larger hotel will be able to compete with other cities for these larger conventions and will be able to headquarter them while the expansion of the convention center is being constructed.

Ms. Lawrence stated that a copy of the PriceWaterhouseCooper report in the binder that was distributed earlier (Exhibit F) is essentially the blueprint for this plan. [Clerk's Note: Exhibit F is on file in the Council Office with the original minutes of this meeting.]

Robert Canton, Director of Sports, Convention, and Tourism Practice, PriceWaterhouseCoopers, stated that they conducted the study three years ago and are impressed with the progress Indianapolis has made since then. He said he has worked in over 250 cities nationwide, and it typically takes seven to eight years between the study and the first ground-breaking. Indianapolis has become a model for other cities. He said that slides five through nine (Exhibit E) detail the highlights of the study. He said that one of the things the study showed was that an expansion of the convention center would not be as successful as it could be, if there were not also additional hotel rooms added.

**Key Elements of the study:**

- Indianapolis - hotel rooms within walking distance was competitive in 2003.
- San Antonio is adding over 5,000 rooms within walking distance.
- Indianapolis – largest headquarters hotel has only 615 rooms and is not competitive.



- Nashville has 2,881 rooms and Louisville has 1,300.
- Expansion could attract an additional 108,000 and 138,000 convention visitors needing rooms.
- No expansion could cause current conventions to relocate.
- Economic impact of expansion (hotel not included):
  - Additional \$101 million in direct spending
  - Additional \$165 million in total sales
  - Additional \$57 million in income
  - Additional 2,700 employees
  - Additional \$11 million in state and local taxes

Ms. Lawrence introduced Mike Wells, REI Investments, and said he will discuss the specifics regarding the hotel.

Mr. Wells stated that REI has partnered with Whiteco Industries and White Lodging Services to develop this project. Slides twelve through fifteen are renderings of how the hotel will look.

**Key Elements of the Hotel:**

- 29 story tower with condominiums on top.
- JW flagship hotel front will face West Street, no backdoors on any side.
- Pedway connectors from hotel to parking garage for White River Park access.
- Low rise hotel will be demolished
- High-rise Courtyard will be demolished and Fairfield hotel built in its place to face Washington Street.
- Popular TGI Fridays restaurant will remain.
- Underground parking accommodates 1,000 cars, entrance off Maryland Street.
- Will attempt to utilize state parking garage after business hours.
- Springmill Suites and Courtyard will be built.
- 1,568 rooms will surround the 45,000 square foot large ballroom.
- Large ballroom in current Marriot is the size of small ballroom in new hotel.
- \$325 million project, creating 400 construction jobs.
- Committed to Project Labor Agreements and will use all union labor.
- 1,000 permanent jobs upon opening.
- Committed to 18% MBE, 8% WBE
- Two restaurants will open in the JW flagship hotel
- One restaurant in the Courtyard hotel
- Timeline: Start – Fall, 2007 with Completion – Spring, 2010

Councillor Sanders said that she is concerned about the tower construction. Indianapolis had straight-line winds that caused damage to one of the buildings downtown. She asked if that would be considered in the construction of this tower. Mr. Wells stated that there are new construction techniques available, and that type of damage should not occur. Councillor Sanders said that the size of the ballroom roof

would be a good place to install a "green" roof, and asked if that was being considered. Mr. Wells stated that it is under discussion. The architects are looking at that option. It is an acre roof and would be a nice green space.

Councillor Pfisterer said that there were several stand-alone commercial entities in the original concept and asked if that would still be a part of the project. Mr. Wells stated that there is not available space at street level in this design. The original concept had the rear of the ballroom facing West Street, but this design has no rear side of any building facing the street. This design concept will generate a lively streetscape. Councillor Pfisterer requested that the architects consult with the fire department to create a safe high-rise structure. Mr. Wells stated that they would be happy to consult with the fire department. Marriot's safety standards are very high and are often higher than what is required locally.

Chair Nytes asked what impact the hotel and convention center construction will have on downtown traffic. Mr. Wells stated that 200 hotel rooms will be taken out of service, but people will be moved around to other hotels and they will be accommodated. Chair Nytes asked why the design has several different hotels, instead of one large one. Mr. Wells stated that they believe in the strength of the Marriot brand, and they wanted to make sure that those brands are in Indianapolis for those loyal customers. Another reason is that each hotel is marketed to different consumer segments. Typically, the JW brand is a higher end brand, while Fairfield is on the lower end. The Courtyard is marketed toward business travelers and Spring Mill is in the middle. Travelers, including convention visitors, are very savvy and often use the internet to book their rooms online. He added that each hotel has different price packages that appeal to different market segments. Chair Nytes stated that there needs to be an assurance from the hotel management that they will honor the City's Human Rights Ordinance. Mr. Wells said that there will not be any problems, because they do not discriminate. He added that they would be happy to meet with anyone who has concerns.

Ms. Lawrence stated that the proposal requests an authorization to fund the creation of the West Washington Street Economic Development Area. This has been approved in two meetings of the Metropolitan Development Commission. It also authorizes a bond issuance of up to \$66 million. She said that the city is making a \$48.5 million investment in this project, which has not changed since December, 2006. The primary investment in this project comes from parking, connector walkways, and site work. The transaction is structured as such that the work will be bid publicly. The bonds will be backed using Tax Increment Financing (TIF). The city will be using property tax revenue generated by the property to pay the debt service on the bonds. Ms. Lawrence said that the bond bank is also asking to be able to use available revenues of the Metropolitan Development Commission. These are the revenues that are available through the consolidated TIF district. Currently, the TIF district ends across the street from the construction site. Because there are synergies and common benefits, she feels that this is a reasonable request. She said that the bond includes a property tax backup. She said this is not unusual. It saves money and allows the bonds to be more

marketable at lower interest rates. She referred to the pie charts on slides eighteen and nineteen (Exhibit E). She said that there are many variable numbers involved in this process and tries to bring the bigger package to the Council with a not-to-exceed amount. She said the charts demonstrate a 4.5% interest rate and a 5.5% interest rate. She said the green section shows the majority of the \$48.5 million investment the city would make in the project. The cost of issuance at 3% is the area in blue. The capitalized interest would allow the city to make debt service payments on the bond. Debt service reserve is an insurance policy in case TIF revenues fail to come in. This is where the \$66 million figure comes from. Slide nineteen demonstrates the same information at a 4.5% interest rate, which is a total of \$62.3 million. Ms. Lawrence stated that indicative financing plan estimates are on slide twenty-one. Real property is predicted to be around \$4 million, and personal property is predicted to be around \$325,000 annually. Sources and uses, as well as a debt service schedule, included in the packet (Exhibit F). She said the property tax backup for the bonds will make the bonds marketable and is the difference between getting a 4.5% interest rate instead of a 5.5% interest rate. She said they are not uncommon. The city uses them to back up the Building Better Neighborhood Bonds and the Pension Obligation Bonds. She said she will return to the committee to present a more finalized package.

Chair Nytes thanked all the presenters and Councillor Pfisterer for participating in the hotel selection committee.

Councillor Cain wanted clarification that the property tax back up is merely insurance and there is 99.9% probability that they will never be used. Ms. Lawrence stated that she has no intention to use property taxes, and it is purely for marketing and interest rate purposes.

Larry Vaughn, a member of the public, stated that this reminds him of Black's Law Dictionary definition of racketeering. He said these multi-national corporations do not need the city to give them three-quarters of a billion dollars. He said this is corporate welfare. The city only gets revenue through taxing hard-working citizens. Companies that threaten cities by telling them they will not come here unless they get a handout are racketeers. He said this is a down-turned economy and a down-turned real estate market. It does not matter at what value the property is assessed, because if they cannot sell it, they cannot get any money from it. He said the Council needs to focus its money on curbs and sidewalks and let the companies spend their own money to build their hotels.

Chair Nytes stated that none of the previous proposals required an investment from the city.

Councillor Conley moved, seconded by Councillor Pfisterer, to send Proposal No. 207, 2007 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-1, with Councillor Abdullah casting the negative vote.

Chair Nytes stated for the record that Councillor Randolph had to leave because of a prior commitment but wanted to express his support for this project.

There being no further business, and upon motion duly made, the meeting was adjourned at 7:36 p.m.

Respectfully Submitted,

---

Jackie Nytes, Chair

JN/cc

**BOONE COUNTY BOARD OF COMMISSIONERS  
ORDINANCE NO. 2007-4**

WHEREAS, the Petition to establish the Town of Fayette pursuant to Indiana Code 36-5-1 et. seq. was submitted to the Board of Commissioners for its consideration on October 31, 2006; and

WHEREAS, the Petition was found to meet the requirements of Indiana Code 36-5-1-2 and 36-5-1-3 and was forwarded to the Boone County Area Planning Commission; and

WHEREAS, a public hearing was held by the Boone County Board of Commissioners on the 18<sup>th</sup> day of January, 2007; and

WHEREAS, the Board of Commissioners considered the Petition, recommendations of the Boone County Area Planning Commission and testimony of all who wished to speak at the public hearing without limitations and then on February 5, 2007 voted in favor of approving the Petition pursuant to Indiana Code 36-5-1-8 after making the following findings:

- (1) That the proposed town is used or will, in the reasonably foreseeable future, be used generally for commercial, industrial, residential, or similar purposes.
- (2) That the proposed town is reasonably compact and contiguous.
- (3) That the proposed town includes enough territory to allow for reasonable growth in the foreseeable future.
- (4) That a substantial majority of the property owners in the proposed town have agreed that the following six (6) of the following municipal services should be provided on an adequate basis:

- (A) Police protection.
- (B) Fire protection.
- (C) Street construction, maintenance, and lighting.
- (D) Storm sewer.
- (E) Parks and recreation.
- (F) Planning, zoning, and subdivision control.

- (5) That the proposed town could finance the proposed municipal services with a reasonable tax rate, using the current assessed valuation of properties as a basis for calculation.
- (6) That incorporation is in the best interest of the territory involved. This finding must include a consideration of:

- (A) the expected growth and governmental needs of the areas surrounding the proposed town;
  - (B) the extent to which another unit can more adequately and economically provide essential services and functions; and
  - (C) the extent to which the incorporators are willing to enter into agreements under IC 36-1-7 with the largest neighboring municipality, if that municipality has proposed such agreement.
- (7) That the boundaries submitted with the Petition to Incorporate have been amended to reduce

the territory as set forth in Exhibit 1.

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of Boone County pursuant to Indiana Code 36-5-1 et. seq. That:

1. The Incorporated Town of Fayette is hereby established effective immediately upon receipt of consent by ordinance from the Indianapolis City County Council.
2. All members of the Town of Fayette legislative body are to be elected at large.
3. The county election board is to conduct an election in the Town of Fayette on the date of the next general or municipal election to be held in any precincts in the County.

ADOPTED, ORDAINED, PASSED AND ORDERED this                      day of  
\_\_\_\_\_, 2007.

BOARD OF COMMISSIONERS OF BOONE COUNTY,  
INDIANA

By: \_\_\_\_\_  
Charles Eaton

By: \_\_\_\_\_  
Harold Lewis

By: \_\_\_\_\_  
Mark Applegate

Attest:

\_\_\_\_\_  
Gretchen Smith, Auditor

**Collateral References.** 87 C.J.S. Towns §§ 8, 30.

**36-5-1-6. Parties — Remonstrance — Dismissal of petition.** — The recipients of the notice required by section 5 [IC 36-5-1-5] of this chapter are parties to, and are entitled to be heard at the public hearing. The petition for incorporation shall be dismissed if at any time during the incorporation proceedings, including an appeal, the county executive or a court hearing an appeal is presented with a verified remonstrance against incorporation, signed by at least:

- (1) Fifty-one percent (51%) of the owners of a fee simple interest in real property in the affected territory; or
- (2) The owners of seventy-five percent (75%) in assessed valuation, of the real property in the affected territory.

The executive or court may determine the validity of the remonstrance by submitting it to the county auditor for verification. [IC 18-3-1-8, recodified as IC 36-5-1-6 by Acts 1980, P.L. 212, § 4.]

#### NOTES TO DECISIONS

**Parties.**

Where the county commissioners allowed a person not enumerated in former IC 18-3-1-7 (see now IC 36-5-1-5) to participate in its

hearing, the person did not thereby become a "party." *Hatcher v. Board of Comm'rs*, 155 Ind. App. 27, 34 Ind. Dec. 519, 290 N.E.2d 801 (1972).

**Collateral References.** 87 C.J.S. Towns §§ 6-10, 32.

**36-5-1-7. Limitation on incorporation of town near city.** — (a) The county executive must obtain the consent by ordinance of the legislative body of a consolidated city before incorporating a town if any part of the proposed town is within four (4) miles of the corporate boundaries of the city.

(b) The county executive must obtain the consent by ordinance of the legislative body of a second or third class city before incorporating a town if any part of the proposed town is within three (3) miles of the corporate boundaries of the city.

(c) Subsection (b) does not apply to a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000). [IC 18-3-1-9, recodified as IC 36-5-1-7 by Acts 1980, P.L. 212, § 4; 1982, P.L. 1, § 58; P.L.195-1984, § 2; P.L.5-1988, § 212; P.L.12-1992, § 161.]

**Compiler's Notes.** According to the 1990 federal census, the county having a population of more than 400,000 but less than 700,000 is Lake.

**Cross References.** Classification of cities, IC 36-4-1-1.

**Collateral References.** 56 Am. Jur. 2d Municipal Corporations § 40.  
87 C.J.S. Towns §§ 7, 10.



**Fayette Incorporation Report  
Boone County Area Plan Commission  
January 2007**

COPY

## Section 1 – Introduction

On October 31, 2006, the Boone County Area Plan Commission, at their office at 116 Washington Street, Lebanon, Indiana, received a “Verified Petition To Incorporate Town” (further known as Petition) delivered from the Boone County Board of County Commissioners. The submittal of this Petition began the formal process of the incorporation of a new town within Boone County to be called Fayette. At present, Fayette is an unincorporated area within the county generally located at the intersection of County Road 750 South and State Road 267 in Perry Township.

This report is being prepared due to specific requirements spelled out in state statute. Section (b) of IC 36-5-1-4 requires that a plan commission that has jurisdiction over territory that is proposed to be incorporated “shall investigate the proposed incorporation and report their recommendations of approval or disapproval to the county executive...”. Following is the complete Indiana Code:

IC 36-5-1-4 Filing of petition; requirements; forwarding of copies; investigation; recommendations

Sec. 4. (a) On receipt of a petition for incorporation, the county executive shall examine it to see that it meets the requirements of sections 2 and 3 of this chapter. If the petition is in order, the executive shall mark it with the date of filing and immediately forward one (1) copy to the plan commission, if any, having jurisdiction.

(b) The commission shall investigate the proposed incorporation and report their recommendations of approval or disapproval to the county executive at least ten (10) days before the hearing required by section 5 of this chapter. In making their investigations, they may use the services of any state or local government agency, and in making their report and recommendations, they shall be guided by the requirements for incorporation set out in section 8 of this chapter. *As added by Acts 1980, P.L.212, SEC.4. Amended by P.L.24-1995, SEC.25.*

On December 6, 2006, the Boone County Area Plan Commission (further known as “APC”), met in a public meeting and delegated the task of preparing the required study and recommendation to the APC staff and attorney. Following is the motion and result from the draft minutes concerning this directive:

LJ Jernstadt made a motion to have Bob Clutter, the APC attorney and the APC staff investigate the petition for incorporation by the town of Fayette. The investigation should include the requirements that it meets the minimum state statutes for incorporation and that some investigation into the signatures on the petition, at least a sampling, no more than 1% to verify the people on the petition live in the boundaries of the incorporated area, to review the proposed budget to see if there is anything that should have been there that isn't and not covered that verifies the stipulation of the minimum requirements of the statute, i.e. police protection, fire protection; there's a minimum number of requirements that to be met, those need validated that those agreements can be put in place they can be financed. Joe Turk added an amendment regarding the minimum state requirements that items A-K (IC 36-5-1-8 (4) (A through K)) be described, as how they exist today - they use county police and they have a township fire department. This body does the planning and everyone needs the answers to A-K. Joe stated this was an amended second. LJ Jernstadt accepted the amendment. John Pugh added an amendment that the report be issued to the APC members prior to the January meeting and at the meeting it would be reviewed and decided upon. LJ and Joe accepted the amendment. Motion carried 4-0.

Therefore, according to the directive from the APC, the report shall be prepared that meets the minimum state requirements in addition to several APC specific tasks. According to IC 36-5-1 4 above, “In making their



## Section 2 – Land Use

*IC 36-5-1-8 (1) The county executive may approve a petition for incorporation only if it finds that the proposed town is used or will, in the reasonable foreseeable future, be used generally for commercial, industrial, residential, or similar purposes.*

This section will investigate the current and future land uses of the proposed incorporated town of Fayette according to IC 36-5-1-8 (1) stated above. According to the Petition, the territory to be incorporated includes approximately 6,082 acres in Perry and Worth Townships generally bounded by the Boone – Hendricks County line to the south, County Road 250 East to the west, County Road 550 South to the north and the Perry – Eagle Township line to the east. A complete legal description is included in the Petition. This chapter will focus on this area.

### A. Current Land Uses

The current land uses of the territory were derived from an analysis program of the county's GIS program along with visual reviews of aerial photos available from Boone County (2002) and various internet aerial photos including Google Earth (2006), and IndianaMap (2005). The proportions of land uses are approximations derived from these maps.

	# of Parcels	% of Parcels	# of Acres	% of Acres
Agricultural	197	33.45	4826	79.35
Industrial	11	1.87	142	2.33
Commercial	42	7.13	434	7.14
Residential	303	51.44	620	10.19
Exempt	36	6.11	60	0.99
	589		6082	

### B. Future Land Uses

The future land uses of the territory were derived from the current zoning maps and comprehensive land use maps of the Boone County Area Plan Commission that cover the territory.

Agricultural is planned for the majority of the proposed incorporation territory according to the adopted Boone County Comprehensive Plan. With the exception of recreation and conservation uses along White Lick Creek, everything west of County Road 475 East is planned agricultural. Additionally, the land that lies between I-65 and Indianapolis Road north of County Road 550 South is also planned for agricultural.

According to the comprehensive plan, the land on the east side of I-65 is planned for a combination of residential with no services (meaning low density) and designated development area (meaning an area that may be transitioning into higher density uses due to its location near the interstate intersection).

Concerning the land west of I-65 and east of CR 475 East, the land is planned as a continuation of the combined residential with no services and designated development area as above. The one exception is the land including the Golf Club of Indiana that is planned for recreation and conservation.

The current zoning maps for this territory strongly support and implement the above described land use plan. However, there have been several rezonings approved within this area that will facilitate changes in the land use of the area. Of particular note are the I-65 PUD Ordinance on the east of I-65 and approximately 100 acres rezoned to R-2 mid-density residential located on the southwest corner of CR 750 South and CR 450 East.

### C. Summary

It is clear that the territory currently has a combination of commercial, industrial, residential, exempt and agricultural land uses. The largest land use acreage within the proposed incorporation territory is by far agricultural. Nearly 90% of the acreage within the territory is currently either residential or agricultural. It is also

- (C) Street construction, maintenance, and lighting.*
- (D) Sanitary sewers.*
- (E) Storm sewers.*
- (F) Health protection.*
- (G) Parks and recreation.*
- (H) Schools and education.*
- (I) Planning, zoning, and subdivision control.*
- (J) One (1) or more utility services.*
- (K) Stream pollution control or water conservation.*

This chapter will look at the following six (6) required services: police protection; fire protection; street construction, maintenance and lighting; storm sewers; health protection; and planning, zoning and subdivision control.

#### **A. Police Protection**

The unincorporated area ("Area") encompassed by the proposed incorporation of the Town of Fayette ("Petitioner") currently receives police protection through the Boone County Sheriff's Department ("BCSD"). On 12/18/06, the Sheriff-Elect of the BCSD was interviewed regarding the current levels of police protection service received by the Area and what, if any changes would occur as a result of the incorporation.

Currently there are 23 full-time BCSD deputies and 24 reserve deputies allocated to patrolling Boone County (There are several appointed officers not assigned to patrol duty and approximately 15 employees assigned to the Communications Division and 15 assigned to the Jail Division). Deputies are assigned to one of two patrol districts within Boone County. Currently there is a northern Boone County district and a southern one. Sheriff-Elect Campbell, will likely change those districts to eastern and western Boone County patrol districts.

The Area lies within the current southern patrol district, and the future eastern district. Sheriff-Elect Campbell stated the number of deputies patrolling a district is based upon traffic, call volume, etc. At a minimum, there is always at least one deputy on patrol in each district. Deputies are not specifically assigned to patrol incorporated areas of Boone County (Lebanon and Zionsville), but these areas are included in the patrol districts so deputies on patrol frequently patrol them as part of their assigned district. The deputies have jurisdiction to enforce the laws of Indiana and local ordinances in all of Boone County regardless of whether the area is incorporated.

If the Area is incorporated, Sheriff-elect Campbell stated that the incorporation should have no effect on the current level of police protection service the Area received, as deputies will continue to patrol the Area as part of their assigned duties.

The proposed budget for the incorporation allocated Forty Thousand Dollars (\$40,000.00) annually for police protection. According to Petitioner's representatives, the annual police protection allocation will be utilized to, at some time in the future, employ a town Marshall for additional and increased police protection. The initial amount will be likely be reserved for the acquisition of necessary police equipment and future amounts for the employment of a town Marshall.

#### **B. Fire Protection**

The Area is currently served by the Perry Township Volunteer Fire Department ("PTVFD") for primary fire protection services. On December 18, 2006 the Chief of PTVFD, Doug Everett, and the Treasurer of the Board of Directors, Tony Carrell, were interviewed. PTVFD is a not-for profit (501(c)(3)) organization that is administered by its Board of Directors. PTVFD enters into annual contracts with the Perry Township Trustee and the Township Advisory Board to provide fire protection services to Perry Township. PTVFD supplements the proceeds from this contract with funds from private donations and fundraisers.

PTVFD currently provides primary fire protection services to all of Perry Township with the exception of those areas that have been annexed by Whitestown and are within its corporate limits. PTVFD is comprised of seventeen

repair, the total amount available would be Thirty-Four Thousand Five Hundred Dollars (\$34,500.00) for 21.9 miles of public roads, or about One Thousand Five Hundred Seventy-Five Dollars (\$1,575) per road mile. This is approximately 2 ½ times the amount currently available to the BCHD for similar services.

The Petitioner has also submitted a letter from Triangle Asphalt Paving Corporation stating that it is capable of maintaining the public roads within the Area. It should be noted that Mr. Kouns stated that Triangle Asphalt and Paving Corporation is one of the contractors used by the BCHD to perform repair and maintenance of county roads.

#### **D. Storm Sewers**

The Boone County Surveyor, Ken Hedge, was interviewed regarding storm sewers and drainage for the proposed incorporation Area. The Boone County Surveyor has jurisdiction over legal drainage structures within the County, whether or not the drain, creek, or structure lies within an incorporated area. The Surveyor and Drainage Board also have the responsibility of reviewing and approving any modifications to existing drainage conditions occurring as the result of new development. There are several regulated drains within the Area including White Lick Creek Legal Drain, Etter Legal Drain and Green Legal Drain.

After the filing of a petition and approval by the drainage board, a property owner can have a portion of his property that encompasses a watercourse or drainage structure declared a legal drain. Upon such acceptance by the Drainage Board, the watercourse or structure becomes a legal drain and falls under the jurisdiction of the Surveyor for maintenance. Such maintenance includes dredging and repair of pipes or tiles. The funds for this activity are budgeted by the Surveyor from individual property tax drainage ditch assessments.

Because the Surveyor has the responsibility to maintain and regulate the flow of legal drains, whether or not they are in an incorporated area, the proposed incorporation should have no deleterious effect upon storm water drainage in the Area.

Additionally, the proposed budget submitted by Petitioner allocates One Thousand Dollars (\$1,000.00) for drainage ditch repairs. This allocation should improve the overall storm water drainage by providing funds for installation of additional drainage structures in areas experiencing poor drainage or maintaining existing drainage ditches or structures outside the purview of the Surveyor.

#### **E. Health Protection/ Utilities**

Pursuant to the investigation regarding the public health ramifications of the Petitioner's proposed incorporation, Sharon Adams, Environmental Director, Boone County Health Department ("Health Department"), was interviewed. The Health Department is responsible for investigating any situation within Boone County that could promote the transmission or propagation of disease. This broad mandate includes inspection and enforcement of private septic and well systems. The Health Department has no jurisdiction over public or private utilities. However, as a practical matter, the Health Department receives complaints from the general public about sewer and water utilities and acts as a liaison with the Indiana Department of Health and the Indiana Department of Environmental Management ("IDEM") to assist in resolving such complaints.

Ms. Adams stated that all of the residences and business in the proposed incorporation Area are currently serviced by private wells and septic systems. Due to the nature of the soil and general ground-water conditions in the Area, it is not likely a public ground well to supply water to the Area would be feasible. Consequently, to provide water to the Area (notwithstanding the current private well supply) an inter-local agreement would need to be reached with a nearby utility (either an agreement between the town of Fayette and another utility or another utility could come in and serve the Area).

The two water suppliers in close proximity to the Area are the Indianapolis Water Company ("IWC") and Whitestown Utilities ("Whitestown"). It should be noted that Whitestown obtains its water supply to service the southeastern boundaries of its service area (generally Royal Run and Eagle's Nest subdivisions) through an inter-local wholesale water supply agreement with IWC. Additionally, IWC currently provides service to the northwestern edge of Marion County. The incorporated town of Brownsburg in Hendricks County continues to expand to the north along SR 267, and unincorporated northern Hendricks County continues to experience growth.

This section will investigate whether or not the incorporation is in the best interest of the area by considering three areas per the above state statute.

**A. Expected Growth and Governmental Needs**

This area of Boone County has been under development pressures for a number of years, but has remained primarily agricultural and residential as determined by the land use figures in Section 2 above. The current comprehensive land use plan also envisions this area as remaining generally agricultural and residential. The proposed incorporation territory will abut Hendricks County on the south. The City of Brownsburg is the closest unit in this direction. Although Brownsburg does not come all the way to the county line and adjoin the proposed territory, residential development has occurred between the city and Boone County. The city has grown by annexing developed ground as it has developed and received public services. Under current state statutes, a municipality cannot annex into an adjoining county without first obtaining permission from the county executive body. The APC staff is not aware of any intention of Brownsburg annexing land within the proposed incorporation territory.

The proposed incorporation territory will also abut the Town of Whitestown to the north and east. If fact, an annexation proposal by Whitestown overlaps part of the proposed incorporation territory. This report does not attempt to give legal advice or interpretation concerning this overlap. Suffice to say, Whitestown does see an increase in the expected growth and governmental needs of the area north and east of the proposed town, contrary to the current and planned land uses of the area.

**B. Essential Services and Functions by another Unit**

This subsection is to investigate to the extent to which another unit can more adequately and economically provide essential services and functions. Whitestown is certainly the closest municipality that could provide essential services and functions to the proposed incorporation territory rather than Brownsburg or Zionsville. However, Whitestown is currently annexing large tracts of land and after a review of the most recent fiscal plan and policy document for approximately 3,918 acres, concerns exist that Whitestown may not be in a sound position to provide essential services and functions at an acceptable level for those property owners within the proposed incorporation territory.

**C. Agreement Under IC 36-1-7**

It has been indicated by the petitioners that service agreements may be made with other providers. However, since no formal or binding agreements have been made, staff cannot determine if they would be put in place and financed at this time.

**Section 8 – APC Requested Info**

In addition to the required investigation delineated in IC 36-5-1-8, the APC also directed the APC staff and attorney to do the following:

- 1) investigate the signatures on the petition by comparing a least a 1% sampling to ascertain that they do, in fact, live within the boundaries of the proposed incorporation area;
- 2) review the proposed budget and a) determine if any reasonable budget item was left out and b) determine if the included budget items could minimally service the proposed area;
- 3) determine if mentioned service agreements could be put in place and financed
- 4) determine current service levels when reviewed; and
- 5) provide this report to the APC members prior to the January 3, 2007 meeting.

# CONVERSION FROM BOONE COUNTY HIGHWAYS TO NEW CORPORATION OF FAYETTE STREETS

Road	County No.	From	County No.	To	County No.	Length	ft of 1657
Invt Rt		Invt Rt		Invt Rt			
8	750S	NEW CORP LINE	NEW CORP LINE	RRX	RRX	0.368	
8	750S	RRX	RRX	229	300E	0.133	
8	750S	229	300E	SR267	SR267	0.757	
8	750S	SR267	SR267	347	TRAILS END EAST	0.071	
8	750S	347	TRAILS END EAST	BR222	BR222	0.171	
8	750S	BR222	BR222	237	425E	0.256	
8	750S	237	425E	235	450E	0.252	
8	750S	235	450E	239	475E	0.252	
8	750S	239	475E	BR221	BR221	0.090	
8	750S	BR221	BR221	241	WOLFE RD	0.227	
8	750S	241	WOLFE RD	247	600E	0.924	
18	550S	NEW CORP LINE	NEW CORP LINE	231	300E	0.502	243 DOES NOT EXIST ON SOUTH END
18	550S	231	300E	SR267	SR267	0.748	
18	550S	SR267	SR267	WHITESTOWN CORP	OLD BRIDGE 183	0.501	
18	550S	239	475E	308	INDIANAPOLIS RD	0.217	
114	700S	NEW CORP LINE	NEW CORP LINE	231	275E	0.230	
114	700S	231	275E	SR267	SR267	1.485	
116	650S	SR267	SR267	BR14	BR14	0.392	
116	650S	BR14	BR14	237	425E	0.103	
116	650S	237	425E	239	475E	0.498	
116	650S	239	475E	243	GOLF COURSE RD	0.499	
116	650S	243	GOLF COURSE RD	UNINVENTORIED RD	COZY LN	0.513	
116	650S	UNINVENTORIED RD	UNINVENTORIED RD	308	INDIANAPOLIS RD	0.059	
130	500S	316	PERRY WORTH RD	59	575E	0.945	
229	300E	CO LINE	CO LINE	RRX	RRX	0.257	
229	300E	RRX	RRX	8	750S	0.243	
231	275E	114	650S	18	550S	1.222	
235	450E	CO LINE	CO LINE	8	750S	0.500	
237	425E	8	750S	116	650S	1.001	
239	475E	8	750S	116	650S	1.003	
239	475E	116	650S	18	550S	1.021	
241	WOLFE RD	CO LINE	CO LINE	8	750S	0.708	
243	GOLF COURSE RD	DEAD END	DEAD END	116	650S	0.256	
247	600E	CO LINE	CO LINE	8	750S	0.498	
308	INDIANAPOLIS RD	239	WHITESTOWN CORP	18	550S	0.320	
308	INDIANAPOLIS RD	18	550S	SR334	SR334	1.316	
316	PERRY WORTH RD	130	500S	318	550S	0.682	
316	PERRY WORTH RD	318	550S	SR334	SR334	1.271	
318	550S	316	PERRY WORTH RD	NEW CORP LINE	TOWNSHIP LINE	0.732	
347	TRAILS END EAST	SR267	SR267	8	750S	0.199	
397	SANDERS CT	DEAD END	DEAD END	18	550S	0.073	



Otto W. Krohn, CPA, CMC  
James W. Treat, CPA

231 E. Main Street, Westfield, Indiana 46074

American Institute of CPAs  
Indiana CPA Society

December 28, 2006

Mr. Robert Clutter  
Clark, Quinn, Moses, Scott & Grahn, LLP  
One Indiana Square, Suite 2200  
Indianapolis, IN 46204-2011

Re: Proposed Incorporation of Fayette, Boone County, Indiana

Dear Bob,

For the purpose of discussion and consideration by the Boone County Plan Commission on the proposed incorporation of Fayette, Boone County, Indiana, we have obtained information from local, county and state officials to review the budget estimates and estimated revenues for the 2007 pay 2008 tax year as provided by Jack Belcher and Larry Giddings.

Our comments are as follows:

1. The budget estimates for the General fund appear to be in line with other communities in relative size to the proposed incorporation. Items to consider would include an addition under the Utility Services section of \$2,500 for other utilities, such as electric, gas, water and sewer. If the \$2,500 for phone was intended to include these utility services also, then the addition would not be needed. Another suggestion would be to increase the amount of budget dollars earmarked for census to \$5,000. These two additions would increase the total general budget to \$186,450.

The 2005 pay 2006 COIT distribution for Perry Township was \$39,255. The summary provided to us showed COIT as \$70,000, which may be overestimated. If we reduced that revenue to \$50,000, along with increasing the budget to \$186,450 the scenarios listed below illustrate the ensuing projected tax rate for the General fund, using an assumed True Tax Value (TTV):

MVH Fund:	As Presented	As Presented with Reduction of COIT Revenue	Increase in Budget Estimate and Reduction of COIT Revenue
Budget Estimate	<u>\$22,000</u>	<u>\$22,000</u>	<u>\$22,000</u>
Revenue Estimate			
State MVH Distribution	<u>21,542</u>	<u>21,542</u>	<u>21,542</u>
Projected Amount to be Funded with a Property Tax Levy	<u>\$458</u>	<u>\$458</u>	<u>\$458</u>
Estimated TTV	<u>\$60,536,060</u>	<u>\$60,536,060</u>	<u>\$60,536,060</u>
Estimated Tax Rate for the MVH Fund	<u>\$ 0.0008</u>	<u>\$ 0.0008</u>	<u>\$ 0.0008</u>

3. After our discussion with the Department of Local Government Finance (DLGF), as a new taxing unit, the legislative body could establish a Cumulative Capital Development (CCD) tax rate according to IC 6-1.1-41. The establishment of the CCD tax rate would follow the procedures as outlined in IC 36-9-15.5, with a maximum rate of \$.0167 the first taxing year. In other words, the new taxing unit could not use the Township's CCD rate; rather it would need to establish its own tax rate, using the timeline outlined in IC 36-9-15.5. Consequently, the CCD estimated budget may need to match the lower amount of revenue. Based upon the assumed TTV of \$60,536,060, the revenue calculates to approximately \$10,200.

The estimated 2007 pay 2008 is as follows:

	As Presented	As Presented with Reduction of COIT Revenue	Increase in Budget Estimate and Reduction of COIT Revenue
General Fund	\$ 0.1572	\$ 0.1902	\$ 0.1976
MVH Fund	0.0008	0.0008	0.0008
CCD Fund	0.0167	0.0167	0.0167
Estimated Total 2007 pay 2008 Tax Rate for the Town of Fayette	<u>\$ 0.1747</u>	<u>\$ 0.2077</u>	<u>\$ 0.2151</u>

The 2005 pay 2006 corporate tax rate for the Town of Whitestown is \$.2336, with a total tax rate of \$2.3445.

EXHIBIT D

**THE COUNCIL  
CITY OF INDIANAPOLIS  
MARION COUNTY****EARL SALISBURY**  
Councillor, District 13

April 23, 2007

The Honorable Bart Peterson, Mayor  
City of Indianapolis  
200 E. Washington St., Suite 2500  
Indianapolis, IN 46204

RE: Bridgeport Commons

Dear Mayor Peterson:

I am pleased to provide my strong support for the Bridgeport Commons development on the west side of Indianapolis. The development is located in my district off of Bridgeport Road and West Washington Street, and I support this development because of the vital contribution it will make to the economic community development needs of the area and my district.

Bridgeport Commons is the affordable multi-family rental part of a larger development project that includes condominiums and townhomes. Bridgeport Commons will include 15 buildings with 180 units, consisting of one-, two-, and three-bedroom units for families of various sizes. One hundred and thirty five units will be affordable and 45 units will be leased at the market rate. The proposed unit and household breakdown is as follows:

% of AMI	# of units set aside
40% AMI	45 units
50% AMI	45 units
60% AMI	45 units
Market Rate	45 units
Total	180 units

I have met with 1 Real Estate Management, Inc. who is the developer of Bridgeport Commons and I trust that this development will be of high quality and an asset to the community. If you have any questions, please feel free to call me at 317.241.2200.

Sincerely,

Earl Salisbury  
Councilman, District 13

cc. Steven Shoup, 1 Real Estate Management, Inc.

ES/gsm





Mitchell Appraisals, Inc.

820 Fort Wayne Avenue

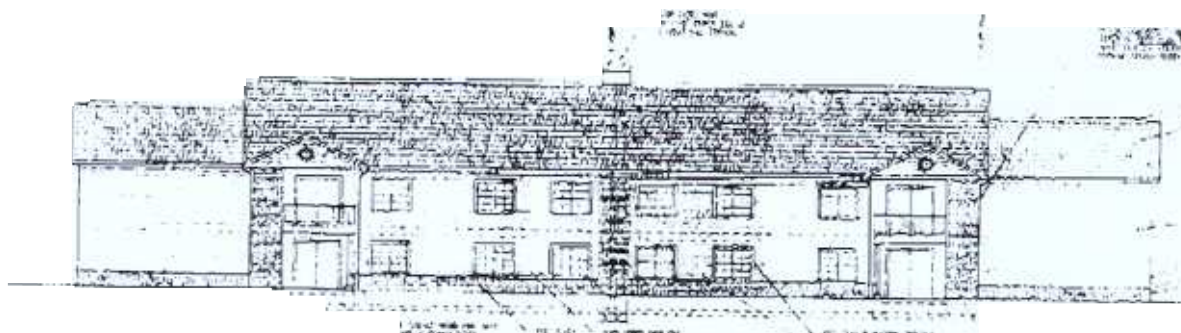
Indianapolis, IN 46204

317 687-2747

[www.mitchellappraisals.com](http://www.mitchellappraisals.com)

## *Market Analysis*

# Bridgeport Road Apartments



### *Location*

2005 Bridgeport Road  
Indianapolis, Indiana  
Marion County

### *Prepared for*

1 Real Estate  
8900 Keystone Crossing Suite 1070  
Indianapolis, Indiana 46240

### *Date of report*

May 4, 2007

### *Date of inspection*

April 25, 2007



## Demand Analysis

### Projection of total demand

Following is the projection of demand from new renter households and demand from existing households.

#### New renter households

Demand from new Renter Households: The analyst may determine new units in the PMA based on projected renter household growth. This must be determined by using the current base year with a 5 year projection.

Estimated Renter Households						
Year	2006	2007	2008	2009	2010	2011
Households	1,800	1,750	1,701	1,653	1,607	1,562
2007-2010 are extrapolated from 2006-2011 % change, 2011 estimated by HISTA						

The population and HH are projected to decrease over the next five years a total of 13%. This is a decrease of less than 2.6% per year. This is a strong possibility to continue to be the pattern if the quality of available housing is not improved. There is no demographic data available that recognizes the change in the housing units and the potential of drawing residents back to the area. The current demographics paint a poor picture that is not felt to represent the true future of the area.

#### Demand from Existing Households:

The site to obtain rent overburdened households and substandard housing is web site <http://factfinder.census.gov>. The data obtained from this website is condensed into the following chart. The chart shows that 6% of the households are considered to be rent overburdened; that is, paying more than 35% of the income for rent. The data is from 2000 and has a higher number of households than are currently in the neighborhood. Thus, the application of the percentage is the more accurate technique of computing for 2007.

Gross Rent as % of HH Income 2000	
Census tract included in PMA	Totals
Total renter HH in PMA	30,243
35 to 39%	629
40 to 49%	745
50% and more	1,845
Put half of not computed	198
Total overburden	1,788
Percentage	6%

The next step is to consider the substandard housing that either lack plumbing facility or complete kitchens. Again, the data is derived from 2000 data and the percentage is applied.



Mitchell Appraisals, Inc.

<b>Substandard Housing</b>	
<b>Census tract included in the PMA</b>	
<b>Total</b>	<b>Totals</b>
	<b>24,618</b>
Owner below poverty level lacking plumbing	0
Owner at or above poverty level lacking plumbing	19
Renter below poverty level lacking plumbing facilities	0
Renter above poverty level lacking plumbing facilities	64
Owner occupied lacking Kitchen facilities	22
Renter occupied lacking kitchen facilities	56
<b>Total</b>	<b>161</b>
<b>Percentage</b>	<b>0.7%</b>

The total from these two categories is 7% (rounded). This represents a demand for the quality housing proposed by the subject.

As the following chart shows, within the PMA, there are 12,308 renter households earning more than 40% but less than 60% of the median family income.

Subject Rent	40%	50%	60%	Market
Rent of subject	Rent of subject	Rent of subject	Rent of subject	Rent of subject
Studio	\$0	\$0	\$0	\$0
One Bedroom	\$384	\$475	\$545	\$600
Two Bedroom	\$462	\$555	\$619	\$675
Three Bedroom	\$532	\$605	\$670	\$750
Four Bedroom	\$0	\$0	\$0	\$0
Minimum rent	\$384	\$475	\$545	\$600
Plus avg. utility	\$94	\$94	\$94	\$94
Minimum HH income	\$16,388	\$19,509	\$21,909	\$23,794
Maximum HH income	\$28,120	\$35,150	\$42,180	\$56,240
Total HH eligible	3,222	4,153	4,933	6,374

***Income eligible senior homeowners likely to convert to rentership***

The subject is a family project and not attractive to seniors. There are multiple senior projects in neighborhood that accommodates seniors. No additional data is included from this category.

**Total demand**

There are three main indicators for demand for the subject. These are existing and proposed households within the area, current occupancy rates and waiting lists and estimated employment growth.



Mitchell Appraisals, Inc.

Statistically, demand will be shown for the project. This will be done via vacancy rates and waiting list that will be discussed in detail further within the report.

Income Restrictions	Demand by Income Level				Market Rate	LIHTC Total	Project Total
	HH at 30% AMI	HH at 40% AMI	HH at 50% AMI	HH at 60% AMI			
Minimum Income Limit	\$4,543	\$16,389	\$19,909	\$21,909	\$23,784	\$4,543	\$4,543
Maximum Income Limit	\$0	\$28,120	\$35,150	\$42,180	\$56,240	\$42,180	\$42,180
(A) Renter Income Qualification Percentage	-11.3%	22.2%	28.8%	34.0%	43.9%	58.7%	58.7%
New Renter Households	55	55	-314	-295	-215	-499	-499
Demand from New Renter Households							
Calculation (C-B) * A	-109	215	277	328	425	712	712
Plus							
Demand from Substandard Housing							
(calculation: (B * D * F) * A)	-11	21	27	32	42	70	70
Plus							
Demand from Rent-overburdened							
(calculation B * E * F * A)	-97	191	246	292	377	631	631
Plus							
Senior Homeowners Likely to Convert to Rentership	125	121	128	11	79	384	384
Equals							
Total PMA Demand	-92	547	678	664	923	1,797	1,797
Less							
Comparable units (proposed)	0	0	0	0	0	0	0
Equals							
Net Demand	-92	547	678	664	923	1,797	1,797
Proposed Units	0	45	45	45	45	135	45
Capture Rate	0.0%	8.2%	8.6%	8.8%	4.8%	7.5%	2.6%
Absorption per month	0	5	3	3	4	11	11
Demand Calculation Inputs							
(B) 2006 Total HH	32,226						
(C) 2011 Total HH	33,194						
(D) 2000 Substandard Percentage	0.7%						
(E) 2000 Rent Over-Burdened Percentage	6%						
(F) 2006 Renter Percentage	45%						
(G) Owners converting (Senior Projects Only)	20%						

## AREA SUPPORT

In addition to having statistical support the project is supported by Earl Salisbury District 13 Councilman. According to a letter written by Councilman Salisbury to Bart Peterson Mayor of the City of Indianapolis the Councilman provides strong support for the project as developed. He sees it as a "vital contribution" to the economic community development. A copy of the letter can be found in the addenda.

## Waiting list

Two properties that had waiting lists were Grassy Creek and Bay Head. Grassy Creek had over 100 names for its subsidized units, but had vacancies in its market rate units. This demonstrates that people want to live within this area. Also, it shows that it will be beneficial to the subject to accept Section 8 vouchers. Bay Head would not release their vacancy rate, but did say they had waiting lists on some of their units, but declined to specify which units.





Mitchell Appraisals, Inc.

### Minimum and maximum income ranges for each targeted group

To determine the feasibility of the subject, it must be determined if a large enough segment of the population can afford the subject's rent, but not exceed the allowable income for the subject. For this subject, the maximum allowable income is 60% of the median family income.

Because no subsidies exist, the household must have sufficient income to pay the rent. The lowest gross rent, including utility costs, is annualized and divided by 35%<sup>10</sup> (rent to income ratio). Therefore, minimum income level for each unit type is calculated by annualizing the rent and utilities, (\$384 \* 12 = \$4,608), and dividing it by 35%. The maximum income level for each unit type are set by HUD and vary based on income level, county and household size.

Typically, one person per bedroom is considered the minimum household size applicable, and one and a half persons per bedroom as the maximum<sup>11</sup>. For example, a one-bedroom unit would serve households sized between one and two people, whereas a four bedroom serves four to six person households. For this analysis, the following parameters are

Type of unit	Number of people in an eligible household
--------------	---

Studio	One
--------	-----

One bedroom	Two
-------------	-----

Two bedroom	Three
-------------	-------

Three bedroom	Four or Five
---------------	--------------

Once the income parameters are set, the number of households within these brackets can be determined. Those within the income bracket will be considered income eligible or *qualified households*. The following example explains how demand is calculated for the one-bedroom unit type. The same procedure is used for each unit type. Data provided by Claritas HISTA 2006 Indiana Demographics shows households by size and income range. This data is further refined to reveal qualified households by unit type.

The lowest income for the subject is \$16,389; ((\$384 net rent + \$95 utility allowance) x 12 months)/35%). The maximum income allowed for two-person households, at the 60% income level, in Marion County is \$31,260. Therefore, a percentage of renters in the \$10,000 - \$20,000 as well as the \$30,000 - \$40,000 and all of the households in the \$20,000-\$30,000 would be eligible for the units.

<sup>10</sup> IHCD, *Qualified Allocation Plan 2007-2008*, Schedule C, page 4.

<sup>11</sup> As allowed by IHCD.



Mitchell Appraisals, Inc.

To determine the number of eligible households in each bracket, the following algorithm is used. This table is used as an example:

<b>\$16,389</b>	<b>Minimum income</b>
0%	\$0 - \$10,000
36%	\$10,000 - \$20,000
100%	\$20,000 - \$30,000
12.6%	\$30,000 - \$40,000
0%	\$40,000 - \$50,000
<b>\$31,260</b>	<b>Maximum income</b>

1. Eliminate any income bracket that has no eligible households because the income bracket falls entirely below the minimum income or above the maximum income. Eligible households are 0%. (In our example, this is true of \$0 - \$10,000; and \$40,000 - \$50,000.)
2. If any income bracket falls entirely within the range specified by the minimum and maximum income, indicate this bracket with 100%. (In our example, no income brackets are in this category.)
3. For an income bracket where the minimum income is included in the range, use this calculation:  

$$\frac{(\text{Maximum income bracket} - \text{Minimum income})}{(\text{Maximum income bracket} - \text{Minimum income bracket})}$$

$$\frac{(\$20,000 - \$16,389)}{(\$20,000 - \$10,000)}$$
4. For an income bracket where the maximum income is included in the range, use this calculation:  

$$\frac{(\text{Maximum income} - \text{Minimum income bracket})}{(\text{Maximum income bracket} - \text{Minimum income bracket})}$$

$$\frac{(\$31,260 - \$20,000)}{(\$30,000 - \$20,000)}$$

Following are the tables indicating the percent of eligible households for each unit type.



### One Bedroom


Income brackets	%	#	% eligible	# eligible
\$0-10,000	6.6%	241	0%	0
\$10,000-20,000	13.4%	488	36%	176
\$20,000-30,000	18.4%	597	100%	597
\$30,000-40,000	16.5%	599	13%	75
\$40,000-50,000	12.9%	468	0%	0
\$50,000-60,000	12.0%	437	0%	0
\$60,000+	22.1%	802		0

### Percent of eligible households by income bracket for two bedroom units

Unit Type	Two Bedroom
Proposed Lowest rent for Unit Type	\$ 462.00
Utility Allowance	\$ 119.00

Income brackets	%	#	% eligible	# eligible
\$0-10,000	3.7%	75	0%	0
\$10,000-20,000	12.1%	243	1%	2
\$20,000-30,000	15.4%	309	100%	309
\$30,000-40,000	14.8%	296	52%	153
\$40,000-50,000	20.0%	401	0%	0
\$50,000-60,000	7.6%	153	0%	0
\$60,000+	26.3%	526		0



Convention Center  
Headquarters  
Hotel Project

Convention Center  
Hotel Partners, LLP  
and  
The Indianapolis Local  
Public Improvement  
Bond Bank

May 16, 2007

1

### Convention and Tourism Industry: An Historical Perspective

- Jerry Sentler, Chairman Emeritus  
American United Mutual Insurance Holding Company  
Parent of OneAmerica
- Current Chair, ICVA
- Downtown and Convention Industry Advocate

City County Council Committee on Economic Development

3

### Agenda

- Opening
- The Convention and Tourism Industry:  
An Historical Perspective
- Current Need and Future Demand
- Convention Center Headquarters Hotel  
Project
- City Investment and Financing Plan
- Timing and Schedule
- Closing
- Questions?

City County Council Committee on Economic Development

2

### Current Need and Future Demand

- Tanasha Anders, Vice President  
Youth and Family Programs  
Indiana Black Expo
- Fred Glass, President  
Indianapolis 2011, Inc.
- James L. Isch, Sr. Vice President for Administration and CFO  
NCAA
- Bob Bedell, President and CEO  
Indianapolis Convention and Visitors Association
- Robert Canton, Director  
Sports, Convention and Tourism Practice  
Price WaterhouseCoopers, Tampa, Florida

City County Council Committee on Economic Development

4



## Need for Additional Hotel Development

- Though Indianapolis already offers a very competitive supply of proximate rooms, expansion should be accompanied by additional rooms.
- While, at approximately 70 percent annual occupancy, existing proximate hotels have some capacity, additional rooms will be necessary to help absorb incremental demand associated with convention center expansion and to improve room block availability for simultaneous events.
- A new headquarters hotel offering 800 to 1,000 rooms or an expansion of an existing connected hotel to 1,200 rooms is very important to the marketability of an expanded ICCRD.



## Largest "Headquarters" Hotel

Market	Property	Number of Rooms
Nashville, TN	Gaylord Opryland Hotel	2,881
Louisville, KY	Galt House	1,300
Detroit, MI	Marriott Detroit Renaissance Center <sup>1</sup>	1,298
Atlanta, GA	Omni at CNN Center	1,067
San Antonio, TX	Marriott San Antonio Rivercenter	1,001
Kansas City, MO	Marriott Kansas City Downtown	983
St. Louis, MO	Adam's Mark St. Louis <sup>1</sup>	910
Minneapolis, MN	Hilton Minneapolis	821
Milwaukee, WI	Hilton Milwaukee City Center	730
Charlotte, NC	Westin Charlotte	700
Columbus, OH	Hyatt Regency Columbus	631
Indianapolis, IN	Marriott Indianapolis Downtown	616
Cincinnati, OH	Hilton Neherland Plaza	564

## Hotel Rooms Within Walking Distance

Center	1/4-Mile Radius Convention-Class Hotel Rooms
Henry B. Gonzalez Convention Center (San Antonio)	4,250
Indiana Convention Center	3,175
Gaylord Opryland Resort & Convention Center (Nashville)	2,881
Dr. Albert B. Sablin Convention Center (Cincinnati)	2,841
Kentucky International Convention Center (Louisville)	2,153
Midwest Airlines Center (Milwaukee)	1,877
Kansas City Convention Center	1,774
Minneapolis Convention Center	1,678
America's Center (St. Louis)	1,560
Charlotte Convention Center	1,469
Georgia World Congress Center (Atlanta)	1,385
Greater Columbus Convention Center	1,052
Cobo Conference/Exhibition Center (Detroit)	413

## Economic Impact of Expansion

- The recommended expansion will generate substantial economic benefits.
- In a stabilized year of operation, an expanded ICCRD would attract between 108,000 and 138,000 additional convention and trade show attendees.
- The "no-build" scenario assumes no reduction of event activity; however, this may be overstated. There is a strong likelihood that some of ICCRD's most significant customers will relocate without an expansion.



## Indiana Convention Center Economic Impacts of Expanded Center

	<i>No-Build</i>	<i>Incremental</i>	<i>Total Expansion</i>
Direct Spending	\$226 million	\$101 million	\$327 million
Total Sales	\$372 million	\$165 million	\$537 million
Income	\$129 million	\$57 million	\$186 million
Employment	6,000	2,700	8,700
State & Local Taxes	\$23 million	\$11 million	\$34 million

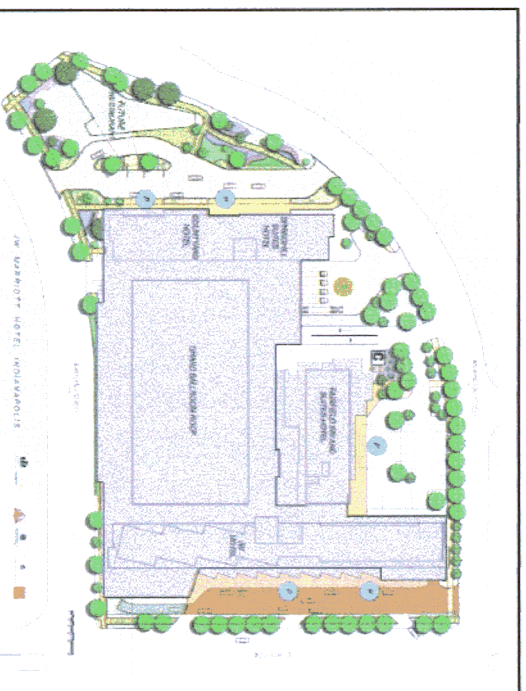
### The Convention Center Headquarters Hotel Project

- Development Team Presentation
  - Convention Center Headquarters Hotel
  - Private Investment / Project Budget
    - \$325 Million Project Budget
  - Job Creation: Construction and Permanent Jobs
    - Over 400 Construction Jobs
    - Over 1000 Permanent Jobs
  - Commitment to MBE/WBE
  - Construction Timeline
    - Start Date in Fall 2007 with Completion Spring 2010
  - Questions?

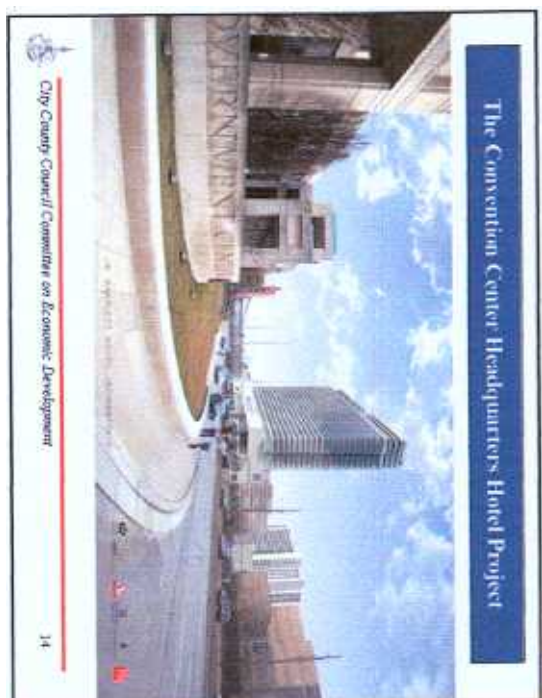
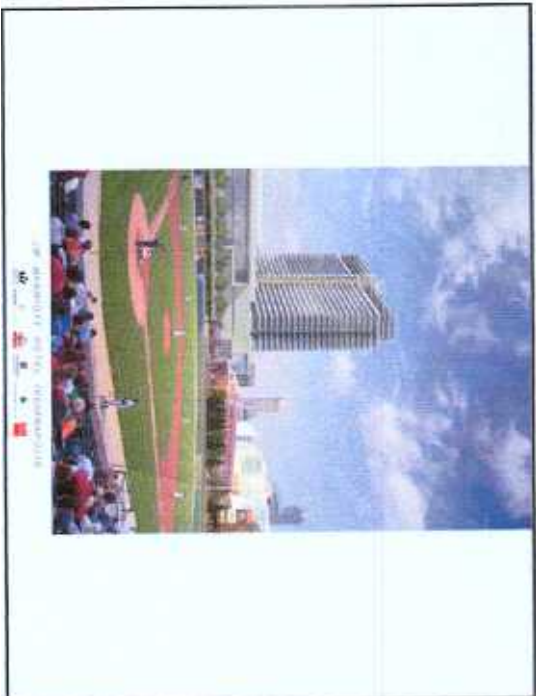


### The Convention Center Headquarters Hotel Project

- Development Team Presentation
  - Project Team
    - Whiteco Industries
    - White Lodging Services
    - REI
  - Team Experience and Expertise
  - Overall Project (Campus)
    - Marriott Brands
  - One of the Largest Convention Center Hotel Developments in the US
  - Convention Center Headquarters Hotel
    - Hotel Description and Design Overview
    - Rooms
    - Amenities
    - Meeting Space and Ballroom








### City Investment and Financing Plan

- City Investment
- Proposal 207, 2007
- Creation of the West Washington Street Economic Development Area
- Authorizing bond/note issuance of up to \$66 million
- Commitment on this Project
- \$48.5 million
- Parking, connector/pedestrian walkway, sitework
- Tax Increment Financing
- City is using revenues generated by the property to pay debt service.


 City County Council Committee on Economic Development
 16

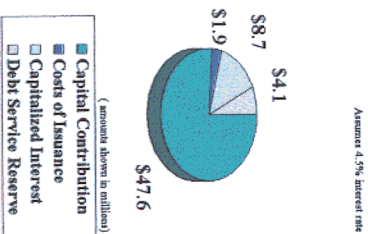
## City Investment and Financing Plan

- Financing Plan
- Financing Package
  - Sizing the Transaction
  - Tax Increment Financing – Real and Personal Property
  - West Washington Street Economic Development Area
  - Available Revenues of MDC: Consolidated TIF
  - Property Tax Back-Up: An Analysis



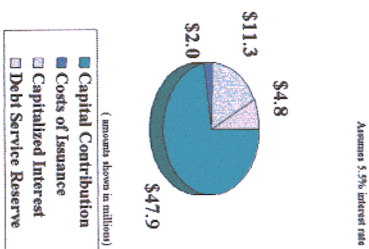
## City Investment and Financing Plan

- Same Transaction at 4.5% Interest
- Overall issuance at \$62.3 million
- Public Investment of \$48.5 million, net of interest earnings
- Costs of issuance estimated at 3% of bond issue
- Capitalized interest through February 2010
- Debt service reserve



## City Investment and Financing Plan

- Why a \$66 million authorization?
- Not-to-exceed amount which accounts for conservative assumptions
- Public Investment of \$48.5 million, net of interest earnings
- Costs of issuance estimated at 3% of bond issue
- Capitalized interest through February 2010
- Debt service reserve



## City Investment and Financing Plan

- Indicative Financing Plan
  - Increment Estimates
  - Sources and Uses
  - Debt Service Schedule



## City Investment and Financing Plan

### ➤ How will the Bonds be secured?

- From incremental real and depreciable personal property taxes from the Convention Center Headquarters Hotel Project
  - Real Property - \$4 million annually
  - Personal Property - \$325,000 annually
- From a funded capitalized interest account through February 1, 2010
  - Estimated at \$8.7 million (at 4.5% interest rate)
- From any legally available funds of the Department of Metropolitan Development, including revenues of the Consolidated TIF
  - From a funded Debt Service Reserve Account
    - Estimated at \$4.1 million (at 4.5% interest rate)
- If necessary, from a levy of property taxes within the boundaries of Redevelopment District



## City Investment and Financing Plan

### ➤ Why a Property Tax Backup?

- Marketing
  - Property tax back-up enables bonds to be marketed and sold more easily and competitively
- Interest Rate
  - A property tax backup will permit the bonds to be publicly marketed at much lower interest rates.
  - Current interest rate savings are estimated at 100 basis points, or a \$20.5 million savings in interest expense over the life of the bonds. (Interest rate of 4.5% rather than 5.5%)
- Not uncommon to have property tax back up or pledge
  - Building Better Neighborhoods Bonds, Pension Obligation Bonds



## City Investment and Financing Plan

### ➤ Parameters and Market Factors

- Interest Rates: Market, Yield Curve, tax-exempt vs. taxable
- Debt Service Reserve: Cash- or bond-funded, Surety in lieu of fully funded DSR
- Capitalized Interest: Debt service payments during construction
- Funding Needs: Cash fund vs. bond fund
  - Term: 20 – 30 year term
- Work within parameters and market conditions to create best financing option for City
- Follow-up presentation to Economic Development Committee



## Timing and Schedule

- April – MDIC Authorizes West Washington Street EDA
- May 16 - Economic Development Committee Consideration
- May 16 – MDIC Consideration
- May 21 – Full Council Consideration
- Project Agreement
- Bond Bank Consideration
- DLGF Consideration
- Market Bonds / Notes
- Fall 2007 – Construction Starts
- Spring 2010 – Target Opening

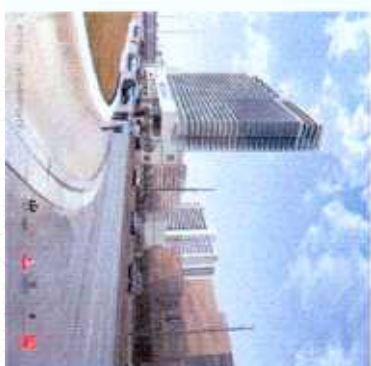


## The Closing



## Questions and Answers

Questions?  
Answers.



## THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

## Convention Center Hotel

**COMPARISON OF ESTIMATED REVENUES AND DEBT SERVICE***Assumes Tax-Exempt Tax Increment Revenue Bonds*

Year	Estimated Debt Service (1)	Estimated Tax Increment		Total	Coverage
		Real Property (2)	Personal Property (3)		
2007	\$0	\$0	\$0	\$0	N/A
2008	0	0	0	0	N/A
2009	0	0	0	0	N/A
2010	0	0	0	0	N/A
2011	3,903,546	4,021,360	406,080	4,427,440	113%
2012	3,904,146	4,021,360	568,510	4,589,870	118%
2013	3,902,046	4,021,360	426,380	4,447,740	114%
2014	3,897,246	4,021,360	324,860	4,346,220	112%
2015	3,899,633	4,021,360	304,560	4,325,920	111%
2016	3,898,871	4,021,360	304,560	4,325,920	111%
2017	3,899,958	4,021,360	304,560	4,325,920	111%
2018	3,902,558	4,021,360	304,560	4,325,920	111%
2019	3,901,558	4,021,360	304,560	4,325,920	111%
2020	3,896,958	4,021,360	304,560	4,325,920	111%
2021	3,898,646	4,021,360	304,560	4,325,920	111%
2022	3,901,283	4,021,360	304,560	4,325,920	111%
2023	3,904,533	4,021,360	304,560	4,325,920	111%
2024	3,903,283	4,021,360	304,560	4,325,920	111%
2025	3,897,533	4,021,360	304,560	4,325,920	111%
2026	3,902,171	4,021,360	304,560	4,325,920	111%
2027	3,896,633	4,021,360	304,560	4,325,920	111%
2028	3,901,033	4,021,360	304,560	4,325,920	111%
2029	3,899,696	4,021,360	304,560	4,325,920	111%
2030	3,902,733	4,021,360	304,560	4,325,920	111%
2031	3,904,583	4,021,360	304,560	4,325,920	111%
2032	3,900,133	4,021,360	304,560	4,325,920	111%
2033	3,899,271	4,021,360	304,560	4,325,920	111%
2034	3,896,658	4,021,360	304,560	4,325,920	111%
2035	3,901,846	4,021,360	304,560	4,325,920	111%
2036	0 (4)	4,021,360	304,560	4,325,920	N/A
Totals	<u>\$97,516,556</u>	<u>\$104,555,360</u>	<u>\$8,426,150</u>	<u>\$112,981,510</u>	

- (1) Debt service payments are net of interest earnings on the debt service reserve fund.
- (2) Assumes incremental assessed value of \$149,843,700 and 2005 pay 2006 net tax rate of \$2.6837.
- (3) Assumes \$33,839,900 of depreciable personal property placed in depreciation pool 2. Assumes 3% circuit breaker applied based on 2005 pay 2006 net tax rate of \$3.1182.
- (4) Final debt service payment is made from debt service reserve and interest earnings on the reserve accumulated in the final year.

For Discussion Purposes Only  
 Prepared by Umbaugh  
 May 3, 2007



## THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

### TAX-EXEMPT TAX INCREMENT REVENUE BONDS

\$48.5M USABLE PROCEEDS @ 4.5% COUPON

### Sources & Uses

Dated 09/04/2007 | Delivered 09/04/2007

#### Sources Of Funds

Par Amount of Bonds	\$62,395,000.00
Interest Earnings on Project Construction Fund	842,233.13
<b>Total Sources</b>	<b>\$63,237,233.13</b>

#### Uses Of Funds

Bond Issuance Costs & Contingencies (3.00%)	1,871,850.00
Deposit to Debt Service Reserve Fund (DSRF)	4,099,300.00
Deposit to Capitalized Interest (CIF) Fund	8,764,235.67
Deposit to Project Construction Fund	47,657,766.87
Interest Earnings on Project Construction Fund	842,233.13
Rounding Amount	1,847.46
<b>Total Uses</b>	<b>\$63,237,233.13</b>



## THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

### TAX-EXEMPT TAX INCREMENT REVENUE BONDS

\$48.5M USABLE PROCEEDS @ 4.5% COUPON

### Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S
						(1,146,508.13)	
						(2,807,775.00)	
						(2,807,775.00)	
						(2,807,775.00)	
	1,305,000.00	4.500%					
	1,365,000.00	4.500%					
	1,425,000.00	4.500%					
	1,485,000.00	4.500%					
	1,555,000.00	4.500%					
	1,625,000.00	4.500%					
	1,700,000.00	4.500%					
	1,780,000.00	4.500%					
	1,860,000.00	4.500%					
	1,940,000.00	4.500%					
	2,030,000.00	4.500%					
	2,125,000.00	4.500%					
	2,225,000.00	4.500%					
	2,325,000.00	4.500%					
	2,425,000.00	4.500%					
	2,540,000.00	4.500%					
	2,650,000.00	4.500%					
	2,775,000.00	4.500%					
	2,900,000.00	4.500%					
	3,035,000.00	4.500%					
	3,175,000.00	4.500%					
	3,315,000.00	4.500%					
	3,465,000.00	4.500%					
	3,620,000.00	4.500%					
	3,790,000.00	4.500%					
	3,960,000.00	4.500%					
						(9,569,833.13)	